

224.50-545 Findings -- Definitions -- Prohibitions -- Policy to encourage reuse -- Posting notice of collection sites -- Representation of used oil as new oil -- Registration of used oil collectors and recyclers.

- (1) It is the finding of the General Assembly that almost nineteen (19) million gallons of used automotive and industrial oil are generated each year in the state; that used oil is a valuable petroleum resource which can be recycled; and that, in spite of this potential for recycling, significant quantities of used oil are wastefully disposed of or improperly used by means which pollute the water, land, and air and endanger the public health and welfare; and that the inflationary impact of increased oil costs and an accompanying shortage of lubrication oil necessitate that waste oil be recycled.
- (2) As used in this section:
 - (a) "Used oil" means a petroleum based or synthetic oil such as an engine lubricant, engine oil, motor oil, or lubricating oil for use in an internal combustion engine, or a lubricant for motor transmissions, gears, or axles which through use, storage or handling has become unsuitable for its original purpose due to the presence of impurities or loss of original properties.
 - (b) "Recycle" means to prepare used oil as a petroleum product or petroleum product substitute by refining, rerefining, reclaiming, reprocessing, or other means or to use used oil in a manner that substitutes for a petroleum product or petroleum product substitute made from new oil, provided that the preparation or use is operationally safe, environmentally sound, and complies with all laws and regulations.
 - (c) "Rerefined oil" means used oil which is rerefined to remove the physical and chemical contaminants acquired through use which by itself or when blended with new oil or additives, is substantially identical or superior to new oil intended for the same purposes, as specified by rules prescribed by the Federal Trade Commission under Section 383(d)(1) of the Energy Policy and Conservation Act (P.L. 94-163).
- (3) No person shall collect, transport, transfer, store, recycle, use, or dispose of used oil in any manner which endangers the public health or welfare or violates any law or regulation.
- (4) No person shall dispose of used oil by discharge into sewers, drainage systems, surface or groundwaters, or incineration other than for energy generating purposes.
- (5) The General Assembly declares that used oil shall be collected and recycled to the maximum extent possible by means which are economically feasible and environmentally sound in order to conserve irreplaceable petroleum resources, preserve and enhance the quality of natural and human environments, and protect public health and welfare.
- (6) All officials of this state and any of its agencies or political subdivisions shall encourage and, to the extent possible, require the procurement and purchase of recycled oil products represented as substantially equivalent to products made from new oil in accordance with this section whenever such products are available at

prices competitive with those of new oil produced for the same purposes.

- (7) The cabinet shall encourage the establishment of voluntary used oil collection and recycling programs and provide technical assistance to persons organizing such programs.
- (8) The cabinet shall establish a list of used oil collectors and the specific counties or areas within the Commonwealth in which each collector has by written agreement or contract with the cabinet agreed to serve. The cabinet shall make arrangements with each waste oil collector for routing schedules to assure that collection tanks are regularly served by a used oil collector.
- (9) The cabinet shall notify all persons who sell automotive or industrial oils to consumers in an amount in excess of five hundred (500) gallons per year of the used oil collector or collectors who have agreed to serve that area and the proposed collection and routing schedules.
- (10) Upon notification that arrangements have been made to collect waste oil in that area, any person who sells automotive or industrial oils to consumers in an amount in excess of five hundred (500) gallons per year shall post at the point of purchase durable and legible signs not less than eight and one-half (8 1/2) by eleven (11) inches in size detailing the locations of conveniently located collection facilities.
- (11) A person may represent any product made in whole or in part from used oil to be substantially equivalent to a product made from new oil for a particular end use if the product conforms fully with the specifications applicable to that product made from new oil or if substantial equivalency has been determined in accordance with rules prescribed by the Federal Trade Commission under Section 383(d)(1) of the Energy Policy and Conservation Act (P.L. 94-163). Otherwise, the product must be represented as made from previously used oil.
- (12) The cabinet shall encourage the use of labeling for oil containers to inform the user of the importance of proper collection and disposal of used oil.
- (13) No person, except a person collecting solely from sources owned and operated by that person, shall transport more than five hundred (500) gallons of used oil annually over public highways or maintain any storage facility that receives more than ten thousand (10,000) gallons of used oil annually without first registering as a used oil collector with the cabinet. A registered used oil collector shall:
 - (a) Transfer used oil only to another registered used oil collector, a recycler registered with the cabinet, or a person outside the state;
 - (b) Provide a receipt to any person to whom used oil is transferred; maintain a complete record of all such transactions, documented by reproducible receipts, for two (2) years; and make available to the cabinet, upon request, all records and copies of receipts for the purpose of review and audit;
 - (c) Submit an annual report to the cabinet on its activities during the calendar year based on the records kept in accordance with this section. The report shall state the quantities of used oil possessed at the beginning and end of the reporting period, the total amount collected, and the amounts transferred during the reporting period. The amounts transferred shall be itemized as to

used oil collectors, used oil recyclers, and by the state or foreign country for those persons outside the state.

- (14) No person, except a person recycling solely from sources owned and operated by that person, shall recycle more than five thousand (5,000) gallons of used oil annually without first registering as a used oil recycler with the cabinet. A registered used oil recycler shall:
- (a) Provide a receipt to any person from whom used oil is received; maintain a complete record of all such transactions, documented by reproducible receipts, for two (2) years; maintain records on the quantities of used oil recycled; and make available to the cabinet, upon request, all records and copies of receipts for the purpose of review and audit;
 - (b) Submit an annual report to the cabinet on its activities during the calendar year based upon the records kept in accordance with this section. The report shall state the quantities of used oil possessed at the beginning and end of the reporting period, the total amount received, and the amounts recycled during the reporting period. The amounts recycled shall be itemized as follows: prepared for reuse as a petroleum product; consumed in the process of preparing for reuse, including wastes generated; and other uses specifying each type of use.

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Formerly codified as KRS 224.895.